

July 2010

The portfolio aims to achieve a slow but steady return by investing 10% into bond funds and 90% into equity funds. The target allocation may change with our views on financial markets. Currently we have an **overweight position in equities** and we are targeting to have an exposure of 100% equity funds.

Total Investment:	RM40,000.00	Absolute Return:	-4.76%	Annualised	
Portfolio Value:	RM38,097.66	June '10 Return:	-0.44%	Internal Rate of Return:	-3.77%

AGGRESSIVE PORTFOLIO

Fund Name	Target Allocation (%)	NAV		% Change
		31/05/2010	30/06/2010	
OSK-UOB Smart Treasure Fund	16.0%	0.5860	0.5962	1.74%
Prudential Asia Pacific Equity	16.0%	0.4569	0.4605	0.79%
Prudential Global Emerging Markets	16.0%	0.2187	0.2177	-0.46%
OSK-UOB Global Equity Yield Fund	32.0%	0.3013	0.2940	-2.42%
OSK-UOB Big Cap China Enterprise Fund	5.0%	0.4536	0.4517	-0.42%
OSK-UOB Global Capital Fund	5.0%	0.3683	0.3436	-6.71%
OSK-UOB Resources Fund	5.0%	0.5500	0.5437	-1.15%
OSK-UOB Emerging Opportunity Unit Trust	5.0%	0.4899	0.5061	3.31%

MARKET COMMENTARY

- Equity markets performances were mixed in June 2010. Global equity markets rebounded initially but developed markets took a dive in the last few trading days of the month while Asia equity markets showed resiliency. The sharp decline was led by US technology stocks as the S&P500 index fell by 7.4% month-to-date (all figures as of 30 June 2010).
- Most Asia equity ended June 2010 on a positive note as the recent correction seems to have found a bottom in early June. The top three performing markets are Thailand, Indonesia and India, which all rebounded strongly by 5.3%, 4.4% and 3.1% respectively in June. This has helped lift MSCI Asia-ex Japan index which returned 0.32% in June, the only regional index to be in the positive zone.
- Recent economic data coming from US was discouraging as it suggests slowing growth from the region. Sentiment indices from Europe were mixed as investor confidence took a dive in both Germany and UK while France remains resilient. However, PMI indices for both manufacturing and services for these developed regions remain above the 50 mark which indicates expansion.
- Emerging markets debt delivered a positive return of 0.9% in June as yields inched down slightly. However, the yield spread between emerging markets debt versus 5-year US Treasuries widened as the latter's yield fell significantly. The current spread indicates attractive opportunities given the better debt profiles for emerging countries.

PORTFOLIO COMMENTARY

The portfolio value shed 0.44%, mainly dragged down by equity funds which are invested in overseas markets. OSK-UOB Global Capital Fund was the worst performer by dropping 6.71%, followed by OSK-UOB Global Equity Yield which declined 2.42%. However, equity funds invested in Malaysia helped to soften the drop in portfolio value. The highest gainer was OSK-UOB Emerging Opportunity Unit Trust by rising 3.31% followed by OSK-UOB Smart Treasure Fund which rose 1.74%.

ACTION TAKEN

As we have released our new list of recommended funds for 2010, we did some fund switches to include the changes in recommended funds wherever suitable. The portfolio actions for June are as follows:

Fund selection changes:

- OSK-UOB Smart Treasure Fund to Kenanga Growth Fund
- OSK-UOB Global Equity Yield Fund to Alliance Global Equities Fund

Monthly top-up:

RM1000 into Alliance Global Equities Fund